

# Measured Response in Troubled Times

As a result of the national recession and the downturn in the Silicon Valley economy, the City of Fremont has experienced an unprecedented decline in tax revenue that is needed to pay for community services. In response, as early as a year and a half ago in November 2001, the City took early steps to reduce its budget and protect its contingency reserves. Six months later, in the Spring of 2002, as economic news continued to worsen, the City took additional budget cutting steps to hedge the ongoing erosion in revenues. Further, in November 2002, in response to a continued decline revenue, spending was again reduced – this time by \$10 million. Recently, in February, as the economy has remained in the doldrums, the City made even more reductions. As a result, the operating budget for July 1, 2003 – June 30, 2004 will be 17.4% or \$22.2 million less than it would have been if none of the above steps had been taken.

The savings which the City accumulated during the boom years of the late 1990s have allowed the City to phase in expenditure reductions over a two-year period. Without these savings, the expenditure cuts and resulting service level reductions would have come sooner and been more severe. It is clear that absent a substantial turn-around in the economy, new revenues will be needed and/or spending reduced even further for the City to match its ongoing expenditures with ongoing revenue. The City has formulated a Four Point Plan (see page 4) that addresses both short term and long term budget problems, and provides a strategy for assuring that the City is able to afford and maintain critical community services with the least possible disruption. This Four Point Plan, as well as a more detailed discussion of the issues discussed above, is contained in the complete report provided to the City Council on February 18 and can be found on the City's website at [www.fremont.gov](http://www.fremont.gov).

- ## It Could Get Worse...State Muddies Budget Waters

The Governor's budget takes away over two-thirds of the City's Vehicle License Fees (VLF). Although it has been a local revenue source since the 1930s, California collects the VLF state-wide and then funnels the revenue back to cities and counties. When the State originally cut the fee paid by vehicle owners in 1998, the State promised to "backfill" the full amount to cities. Now the Governor and State Legislature may eliminate the VLF backfill payments to cities to help balance the State's budget.

- For Fremont, the amount at risk is about \$9 million per year. Losing that revenue would dramatically worsen Fremont's economic situation, because the VLF backfill is the City's third largest source of revenue.

To voice your concerns, contact Governor Gray Davis, State Senator Liz Figueroa or Assemblyman John Dutra at State Capitol, Sacramento, CA 95814.

- To learn more about the impact of the State's budget crisis on Fremont, contact Budget Officer Jim Becklenberg at 494-4376 or [jbecklenberg@ci.fremont.ca.us](mailto:jbecklenberg@ci.fremont.ca.us) or Intergovernmental Relations Manager Lisa Goldman at 284-4012 or [lgoldman@ci.fremont.ca.us](mailto:lgoldman@ci.fremont.ca.us).

### Fiscal Year 02/03 Basic Services vs. Revenues

Fremont's two basic revenues (property tax and sales tax) don't fully cover basic service costs of public safety and maintenance. Other revenue sources are critical to fundamental community services.

Category	Item	Value (Million)
COSTS	Public Safety	~70
	Maintenance	21.6
REVENUES	Property Tax	~32
	Sales Tax	~28
	Vehicle License Fees	~8
	Franchises	~5
	Business Taxes	~3
Total		96

- COSTS**

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# environment

## Safe, Free Disposal of Household Hazardous Waste

### What is household hazardous waste?

Leftover or out-of-date pesticides, paints, household cleaners, automotive fluids, solvents, used batteries, and fluorescent lights contain hazardous ingredients. These materials require special handling for recycling or disposal.

### Why are these products hazardous?

They often contain chemicals that are poisonous, toxic, corrosive or flammable. Chemicals may contaminate the environment if poured on the ground, poured down a household drain or storm drain, or dumped in the garbage. It is harmful to our environment, and in most cases illegal, to put these materials into the trash or down the drain.



### What are my disposal options?

Since State and local regulations prohibit the disposal of household hazardous waste at landfills, the Alameda County Environmental Health Department operates three drop-off centers for these products. You may take them free of charge to any of the centers listed below:

Hayward - 2091 West Winton Avenue

Oakland - 2100 East 7th Street

Livermore - 5584 La Ribera Street

### When are the centers open?

The centers are open a select number of days and hours each month. Please visit [www.stopwaste.org](http://www.stopwaste.org) or call 1-800-606-6606 to check on the exact dates and times that the drop-off center nearest to you is open.

### What You **Can** Drop Off

- Paint, stain, varnish, thinner and adhesives
- Auto products such as old fuel, motor oil, oil filters and batteries
- Household batteries, cleaners and sprays
- Garden products, including pesticides and fertilizers

### What You **Cannot** Drop Off

- Asbestos
- Explosives
- Railroad ties
- Radioactive materials
- Medical waste
- Most compressed gasses
- Computers, Monitors, TVs and Electronic Equipment (Please call the Fremont E-Cycling Center at 657-3500 for information on recycling these items.)










Thank you for doing your part to protect our environment!

## RECYCLING GETS EASIER!

*The City of Fremont and BFI announce new streamlined recycling collection services to begin this summer*

This summer, residential curbside recycling customers will benefit from enhanced services which include a new wheeled cart for collection of all recyclables in one container (glass, metal, plastics, and paper). In addition, you will be able to put food scraps and certain food-soiled papers, such as pizza boxes, paper towels and napkins, in the existing yardwaste cart.

The new gray 68-gallon wheeled cart will make recycling easier by allowing customers to put all recyclables in one container with minimal sorting. Residents will receive this recycling cart (which will replace the three blue bins currently in use) before the collection program begins. After residents begin using the new cart, BFI will collect and recycle the three old blue recycling bins within a few weeks.

In addition to receiving a new recycling cart, residents will be able to recycle more types of plastic. Currently, only plastic type numbers  and  are collected – the expanded system will accept numbers       and .

Another feature of the expanded program is the addition of food scraps and certain food-soiled papers to the existing green yardwaste cart. BFI will provide small kitchen pails for convenient collection of these items. When the pail is full, simply empty it into the yardwaste cart, keeping the pail to use again. The food scraps combined with yard waste will then be collected and turned into nutrient-rich compost.

This expanded curbside program is being provided to Fremont residents at no extra cost. In fact, due to improved efficiencies in collection, garbage bills for single family residents were lowered beginning in January 2003.

Also, residents who are age 70 and over and use either the 20-gallon or 32-gallon garbage cart service level may be eligible for a 50% discount on their collection rate. Those 80 and over who use either the 20-gallon or 32-gallon service level may receive collection services at no cost.



*Two-gallon kitchen pail for food scraps*

Be on the lookout for more information on all of these expanded services in the coming months. Also, information will be provided in May on the City of Fremont Environmental Service Hotline at 494-4741. In addition, be sure to read the detailed information packet that will be delivered early this summer along with your new recycling cart and small kitchen pail. If you have questions regarding these new services or collection rates, call BFI customer service at 657-3500.

## Pollution Prevention

### *Choose the Right Carpet Cleaner*

Choosing the right carpet cleaning company can make a difference in preventing urban runoff (stormwater) pollution – the single largest source of water pollution today. Runoff from our homes, businesses, and streets goes into the storm drains, and then into the creeks and San Francisco Bay. The runoff is not treated, and as a result it can carry a wide array of pollutants directly into these local waters.

To reduce water pollution, all carpet cleaning companies are required to dispose of their wastewater by discharging it into a sink, toilet or indoor drain that is connected to the sanitary sewer system. Companies can also take the wastewater back to their facility for proper disposal into the sanitary sewer system. *When choosing a potential carpet cleaning company, be sure to ask about their disposal methods and confirm they are disposing to the sanitary sewer system.*

If you have any questions regarding carpet cleaning practices, or if you observe a carpet cleaning company discharging their wastewater into a gutter or storm drain, please call 494-4740 during business hours or 911 after hours.

For any other stormwater related information, please contact the City of Fremont Environmental Services Division at 494-4740 or [www.fremont.gov](http://www.fremont.gov).

## State of the City Address on April 7

Fremont's mayor will present the annual State of the City Address to the Fremont community on Monday, April 7, at 6:00 p.m. at City Hall in the City Council Chambers, located at 3300 Capitol Avenue. All Fremont residents are invited to attend.



# tal services

## Compost Happens And So Does the Annual Compost Giveaway

Join your friends and neighbors at Fremont's 8th annual Compost Giveaway on Saturday, April 5, from 8:00 a.m. to 12:00 noon, where the City of Fremont, in partnership with BFI and NUMMI, will give away two bags of compost to each participating household.

This compost is made from the yard waste collected in Fremont's curbside yardwaste program. When you apply this material to your lawn and garden you will complete the cycle started when you first planted a lawn, shrubs, flowers or other vegetation in your yard. Yard clippings collected from the curb are taken to Newby Island Landfill for processing, where they are converted to rich, organic compost. That compost is used to enrich and condition the soil in your yard.

As in previous years, the event will be held in the parking lot of the New United Motors Manufacturing Inc. (NUMMI) facility at the south end of Fremont Boulevard. The entrance to the event will be on Grimmer Boulevard, east (towards the hills) of the Fremont Boulevard intersection. Simply follow the signs and watch for the traffic control personnel who will direct you to the loading area. Event workers will place the compost into the cargo area of your vehicle.

Please bring your BFI bill for January, February, or March 2003 to serve as proof that you participate in the City of Fremont curbside collection program, and you will receive your two free bags of compost. If your neighbor cannot make it to the event, you can bring his/her BFI bill and pick up their compost as well.

For more information please call BFI customer service at 657-3500.



**FLYING COMPOST**— Bags of compost are loaded into the cars of Fremont residents during last year's Compost Giveaway.

## Enjoy a Beautiful Yard the Natural Way

### *Discounted Compost Bins and Mulching Mowers Make it Easy*

Create a healthy, toxic-free lawn and garden by composting and grasscycling. Composting turns your yard waste – plant debris, leaves, prunings, grass clippings, and fruit and vegetable trimmings – into a nutritious soil amendment. Grasscycling returns nitrogen back into your lawn, reducing the need for fertilizer.

You can get the tools you need to compost and grasscycle at the 3rd Annual Mulching Mower and Compost Bin sale sponsored by the Alameda County Waste Management Authority and Recycling Board. The sale will take place on Saturday, May 10 at the Henry J. Kaiser Convention Center at 10 Tenth Street in Oakland (next to the Oakland Museum) from 9:00 a.m. to 2:00 p.m. Fremont and other Alameda County residents are eligible for discounted prices on electric mulching mowers and compost bins. Both items will help you improve your garden's health and divert waste from the landfill.

#### **Mulching Mowers**

Mulching mowers are optimum tools for grasscycling because they are designed to cut your lawn growth into fine clippings, which fall between the blades and quickly decompose. At this event only, Alameda County residents can enjoy a savings of \$100 off an electric mower or \$75 off a push reel.

- ◉ *Black & Decker Corded Mulching Mower* (CMM 575). Great value. One height adjustment. \$79.00 plus tax. (Retail \$179.00)
- ◉ *Great States Reel Mower* through Reel Mowers Etc. Economical, lightweight and user-friendly. Zero emissions. \$55.00 (Retail \$130.00)

Old mowers may be recycled at the event. Gas-powered mowers brought in for recycling must be drained of all oil and gas. See page 2 for oil and gas disposal options.

## COMPOSTING: *Nature's Way of Recycling*

Composting at home reduces the amount of waste that you send to the landfill. It is easy to make compost – you simply use ordinary yard and kitchen trimmings. Putting your composted waste back into your yard will reduce your garden's need for fertilizer and water, make your soil easier to cultivate, and save you money.

To learn how to compost, you can obtain the Alameda County Waste Management Authority's Home Composting Education Program resources (listed below) at [www.stopwaste.org](http://www.stopwaste.org) or by calling 444-SOIL:

- ◉ The award-winning video "Do the Rot Thing"
- ◉ A step-by-step composting brochure
- ◉ How-to workshops on basic and worm composting
- ◉ Demonstration gardens in Oakland and Livermore

#### **Grasscycle for a beautiful, lush, healthy lawn**

Grasscycling simply means leaving the clippings on the lawn when mowing, which returns nitrogen and other nutrients to the soil. It encourages the development of beneficial soil organisms that help prevent disease. Grasscycling also helps the soil hold more water and resist erosion as well as reducing the lawn's need for fertilizer.

Grasscycling makes lawns look beautiful, neat and professionally groomed. When grasscycling is done properly, you don't notice the clippings – only the results. Professional landscapers have been grasscycling for years in places where appearance is a top concern, such as at golf courses, resorts and sports fields.

For more information about composting and grasscycling, please visit [www.stopwaste.org](http://www.stopwaste.org) or call the compost information hotline at 444-SOIL.



#### **Compost Bins**

The Home Composter and Biostack are durable, user-friendly bins from Smith & Hawken and Harmonious Technologies. Both are made with recycled plastic and carry a 10-year warranty.

- ◉ *Home Composter* for \$17.00 features a door for easy access to finished compost.
- ◉ *Biostack* for \$38.00 has three stackable layers for easy turning.
- ◉ *Wriggly Wrench* worm bin for \$25.00, good for food debris only; ideal for apartments; stacking design for easy harvesting.

This one-day sale is sponsored by the Alameda County Waste Management Authority and Recycling Board. The sale applies to Alameda County residents only and your ID is required. For more information about the sale or these products, please visit [www.stopwaste.org](http://www.stopwaste.org) or call the compost information hotline at 444-SOIL.

# The Economic Downturn’s Impact on Fremont

## Low Revenues per Resident

Compared to other cities, Fremont has low General Fund revenues. Tax revenue comes predominantly from property taxes, sales taxes and vehicle license fees. Fremont receives a smaller share of the property tax paid by property owners than other cities do, based on the property tax rate in effect when Proposition 13 was passed in 1978. Fremont's sales tax base is low and sales tax revenues have fallen dramatically due to the high-tech downturn. During the economic boom of the 1990s, high-tech sales tax nearly tripled. In FY 2001/02, however, sales tax generated by high-tech (primarily business-to-business sales) sank to 1991/92 levels.

## Low Spending per Resident

The City of Fremont has less revenue to spend per resident per year than many other Bay Area cities. For example, Pleasanton spends \$1,172 and Oakland spends \$1,116, but Fremont spends just \$581. This low level of spending reflects Fremont's emphasis on efficient operations and the City's efforts to provide excellent basic services at low cost. The current business activity means lower revenue for local services, minimizing General Fund support for fee-supported services. See chart at right for revenues and expenses compared to other cities.

## Fremont’s Revenues and Expenses Compared to Other Cities

	Fremont	Pleasanton	San Jose	Oakland	Palo Alto
Employees per 1,000 Residents <sup>1</sup>	4.9*	6.9	7.6	11.3	12.5
General Fund revenue/resident <sup>2</sup>	\$530	\$1,079	\$620	\$1,061	\$1,880
City's share of property tax paid by property owners <sup>3</sup>	14.8%	25.36%	13.8%**	27.46%	9.0%***
Annual Spending per resident <sup>4</sup>	\$581	\$1,172	\$628	\$1,116	\$2,093

NOTES:

\* Drops to 3.7 in FY 2003/04 budget

<sup>1</sup> Services provided by each community and respective funding arrangements vary widely among cities. The following adjustments have been made to improve comparability with Fremont:

- San Jose: total positions reduced by the number of positions supporting Aviation Services department not provided by the City of Fremont.
- Palo Alto: total positions reduced by the number of positions supporting utilities not provided by the City of Fremont, i.e.: electric, gas, water, wastewater collection, and refuse.

<sup>2</sup> FY 2002/03 budgeted General Fund revenues, excluding transfers in from other funds

<sup>3</sup> Source: Alameda County Controller's Office

\*\* Source: Santa Clara County Controller's Office

\*\*\* Source: City of Palo Alto Budget Office

<sup>4</sup> FY 2002/03 budgeted General Fund expenditures, including transfers out to other funds

Source: FY 2002/03 published budgets

# How Did We Get Here?

Since Fall of 2001 the City has experienced a sustained sharp decline in revenues:

- Sales tax revenue (particularly from business-to-business sales) is down, with no reversal of the trend in sight
- Business taxes are down, reflecting the business activity of Fremont high-tech companies and related sectors
- Hotel/motel taxes are down, reflecting lower business activity and hotel room occupancy
- Property tax revenue has slowed, and reductions in this revenue source could occur through downward property reassessments, as happened in the early 1990s

# It Pays to \$hop in Fremont

Fremont has fallen victim to the economic volatility of Silicon Valley. The current downturn is reducing the City's revenues and limiting the services Fremont will be able to provide to residents.

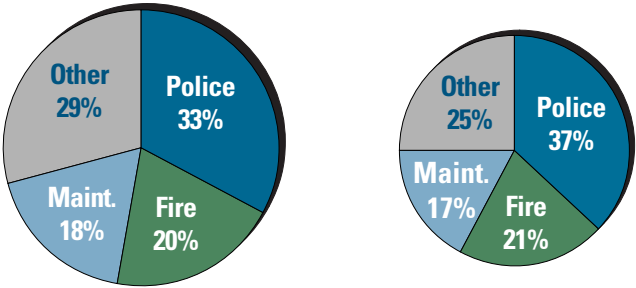
But there is something you can do to help the City of Fremont maintain its economic health and keep services in place for the community: shop in Fremont!

Every time you purchase an item in Fremont, the City receives one percent (1%) of the 8.25% sales tax that is collected (the State and other local agencies receive the other 7.25%). Although this percentage may seem small, sales tax revenue quickly adds up.

So make as many of your purchases as you can in Fremont. Whether large or small, they do contribute to the quality of life Fremont residents enjoy.

# City Services

Percent of General Fund Before Cuts: \$121 Million Budget      Percent of General Fund After Cuts: \$104 Million Budget



Each department in the City is focusing on providing core services to the community and is restructuring operations to deliver more limited services with fewer staff, while preserving the City's commitment to quality.

# Fremont’s Four Point Plan

In order to maintain the City's ability to provide valued services to Fremont's residents, the City Council has approved a Four Point Plan of action:

## 1. Cut Spending and Reduce Services to Match Revenues

Many City services have been reduced or eliminated, and funds allocated in the Capital Improvement Plan for projects such as street and median improvements, speed bumps, park development and the Northgate Community/Senior Center have been eliminated.

## 2. Increase Fees

In a number of instances, fees will need to be increased to cover the cost of City services. For example, a community planning processing fee was recently adopted to pay for General Plan updates and for a portion of customer service counter time in the Development Services Center; fees at the Senior Center have been increased for meals and services; and other fees are being proposed, such as a false fire alarm fee (to recover some of the costs of responding to false fire alarms).

## 3. Focus on Retail and Economic Development

Consumer-oriented retail is expected to recover faster than business-to-business retail. Since Fremont's sales tax sector has been so heavily weighted toward tech sector (business-to-business) sales, it will be critical that we focus even more than we have on retail-oriented economic development.

## 4. Explore Tax Increases

Fremont has a low tax base for supporting the range of services desired and needed by its 210,000 residents and it captures a smaller share of various taxes. For instance, while Oakland and Fremont's assessed valuation is similar at roughly \$25 billion, Oakland keeps about 25% of the property tax paid, rather than the 15% received by the City of Fremont for local government services. Another example is Fremont's hotel/motel tax rate. At 8%, it is low compared to the 10-12% rates in most other Bay Area cities. Also, the average homeowner in Fremont pays \$2,700 per year in property taxes, while in Pleasanton this amount is \$3,700.

New or increased taxes could strengthen the City's ability to generate locally controlled revenue and provide core services. Options for the community's consideration include:

- ⦿ Increasing the Paramedic Tax to cover more of the cost of emergency medical aid
- ⦿ Increasing the Hotel/Motel Tax
- ⦿ Instituting a tax on utility usage (gas, electric, telephone, and cable TV) to pay for residential services
- ⦿ Instituting a Public Safety Parcel Tax to pay for Police and/or Fire services
- ⦿ Establishing Lighting, Landscaping, and Maintenance Districts to pay for development and maintenance of park facilities, medians, street lighting, street sweeping, or other public property

For more information about the Four Point Plan, as well as general budget information, please check the City's website at [www.fremont.gov](http://www.fremont.gov).

# City News Changes Format

This is the final issue of *City News* in this tabloid format. To reduce costs, the newsletter will be reduced in size. For more information, please contact Cheryl Golden at [cgolden@ci.fremont.ca.us](mailto:cgolden@ci.fremont.ca.us) or 284-4025.

## City of Fremont

The City Council meets the first, second and fourth Tuesdays of each month at 7:00 p.m. in the City Council Chambers, 3300 Capitol Avenue. (Study sessions are held on the third Tuesday of each month.) Meetings are broadcast over cable TV channel 27.

## City Council

Gus Morrison, Mayor  
Bill Pease, Vice Mayor  
Bob Wasserman, Steve Cho, Dominic Dutra  
Jan Perkins, City Manager

## Fremont City News

Cheryl Golden, Managing Editor  
Fremont City News is printed on recycled paper with soy inks.